WRITTEN ANSWERS TO UNSTARRED QUESTIONS

India-EU Trade

3042. SHRI B.J. PANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India-EU proposes to set up a joint study group to explore possibility of bilateral agreement that encompasses investment and trade;

(b) if so, the details thereof;

(c) whether EU is India's largest trading partner and the biggest source of FDI; and

(d) if so, the details of EU-India trade during 2004 and what are our future estimates?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) In the India-EU (European Union) Strategic Partnership Joint Action Plan adopted at the 6th India-EU Summit held in New Delhi on 7th September 2005, India and the EU have agreed to establish a High Level Trade Group (HLTG) to study and explore ways and means to deepen and widen their bilateral trade and investment relationship. Commerce Secretary and Director General Trade, European Commission have since been identified as Co-Chair of the High Level Trade Group.

(c) While EU, covering 25 member States, constitutes India's largest trading partner, it accounts for about 25% of the total FDI inflows into India.

(d) During 2004-05, India-EU trade was of the order of US $ 35.30 billion. During last three years the average rate of growth in trade between India and European Union has been about 20%, and growth prospects are good.